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**STATE OF WASHINGTON  
DEPARTMENT OF FINANCIAL INSTITUTIONS  
SECURITIES DIVISION**

IN THE MATTER OF DETERMINING  
Whether there has been a violation  
of the Securities Act of the State  
of Washington by:

JAMES MAJERSKI; his employees and agents  
  
Respondents.

Order No. S-03-132-04-TO01

**SUMMARY ORDER TO CEASE AND DESIST  
AND NOTICE OF INTENT TO IMPOSE FINE**

THE STATE OF WASHINGTON TO: James Majerski  
10321 Newport Circle  
Tampa, FL 33612

**STATEMENT OF CHARGES**

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondent, James Majerski has violated the Securities Act of Washington and that his violations justify the entry of an order of the Securities Administrator under RCW 21.20.390 against him to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondent to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately. The Securities Administrator finds as follows:

**TENTATIVE FINDINGS OF FACT**

I. Respondent

1. James Majerski is resident of Sarasota Florida doing business as The Great Majerski, The Majerski Exchange and Majerski Exchanges the World.

II. Offering

2. Beginning in early 2001 and continuing through September 2001 Majerski received in excess of \$277,000 from at least three Washington investors for an investment in gold originating in the Philippines. Majerski,

**SUMMARY ORDER TO CEASE AND  
DESIST**

1 using the business names The Great Majerski, The Majerski Exchange and Majerski Exchanges the World, told the  
2 Washington investors that their funds were going to be used to purchase gold from the Mindanao Highlands in the  
3 Philippines.

4 3. Majerski told the investors that he had an arrangement to purchase 3.5 metric tons of gold from the  
5 Mindanao Highland Association through the Mindanao Highlands Association's High Chief Datu Lim Ao G. Vergara.  
6 Majerski would then transport the gold from the Philippines to Zurich, Switzerland where an associate of Majerski would  
7 reprocess it into higher quality gold. The reprocessing would reduce the 3.5 metric tons to 3.0 metric tons at which point  
8 the gold would be sold. Majerski told the investors that he had completed similar gold transactions in the past with his  
9 associate in Switzerland. In early 2001, Majerski signed an agreement with two Washington investors that stated that the  
10 investors would receive four percent of the revenue from the sale of the gold. In April 2001, Majerski sent a fax to one  
11 of the investors giving an example of how much their investment could be worth. Using the example of gold trading at  
12 \$260.00 per troy ounce, Majerski stated that their four percent would be worth \$752,310. In August 2001, Majerski sent  
13 a fax to one of the investors stating that, at \$275.00 per troy ounce, the four percent interest would be worth \$1,060,950  
14 for the two investors. Based upon these representations, the Washington investors wire transferred over \$100,000 to  
Majerski's bank account.

15 4. At the time of the investment, Majerski stated that he needed more money to complete the transaction,  
16 but that he had other investors that would contribute the remainder of the funds necessary. In July 2001, Majerski  
17 informed the investors that he was unable to raise the necessary money from others and that they needed to contribute an  
18 additional \$135,000, plus funds for expenses that would be incurred in completing the deal, if they were going to be able  
19 to complete the gold purchase. In August 2001, Majerski signed an agreement with one of the investors stating that the  
20 investor would receive ten percent of the sales price if he were able to provide the additional funds. Based upon figures  
21 provided by Majerski, that a ten percent interest in the gold would be worth \$2,500,000, the investor took out an  
22 additional loan on a piece of property that he owned and also contacted another Washington resident, a third investor, to  
23 raise funds to send to Majerski. Together, they contributed an additional \$177,000 in September 2001 (of which \$59,000  
24 was later returned).

1           5.       In October 2001, Majerski and one of the investors traveled to the Philippines to consummate the gold  
2 purchase from Vergara of the Mindanao Highlands Association. When Majerski did not feel comfortable with Vergara,  
3 he decided not to complete the purchase. Majerski then introduced the investor to Felicidad V. Anunciacion of  
4 Consolidated Metals Resources Cooperative. Majerski told the investor that he had made previous investments through  
5 Anunciacion. Anunciacion informed the two that she had a similar investment opportunity where gold was to be shipped  
6 from the Philippines to Zurich, Switzerland for reprocessing, but that the deal was not quite as large. Anunciacion  
7 claimed to represent the buyer as well as the seller in the gold transaction, but the seller lacked the required funds to  
8 provide the "mobile money" necessary to complete the deal. Anunciacion, Majerski and the investor signed an  
9 agreement where Majerski and the investor would receive a portion of the gold sale for this transaction. Majerski then  
10 gave Anunciacion \$60,000 of the \$177,000 in investor's funds received by Majerski in September 2001 toward the  
11 completion of that investment and returned to the United States with the understanding that the deal would be completed  
within two weeks.

12           6.       Majerski and the investor agreed that Majerski was to contribute \$30,000 of the \$60,000 provided to  
13 Anunciacion by the investor by repaying the investor when he was able. Majerski never repaid the \$30,000, never  
14 returned the money contributed toward the earlier investment that was not completed and the investors never received  
15 information as to the success of the investments orchestrated by Majerski.

16                           III.       Misrepresentations and Omissions in Connection with the Offering

17           7.       Respondents failed to provide offerees/investors with a disclosure document containing material  
18 information about the investment opportunity described above, including but not limited to risk factors of the  
19 investment and financial statements for The Great Majerski, The Majerski Exchange and Majerski Exchanges the  
20 World. Additionally, Majerski failed to provide the investors with the basis for which he believed he could, and had  
21 in the past, acquired gold at such a discount from market value. The investors relied upon Majerski, his expertise  
22 and his claims of past successful transactions to effect the purchase and sale of the gold because they had no prior  
23 experience with investing in gold, the shipment of gold, the processing of gold or sale of reprocessed ore. Majerski  
24 did not provide the investors with any evidence of his past completed gold transactions.

1 IV. Registration Status

2 8. The offer and/or sale of gold investment opportunities by James Majerski are not registered under the  
3 Securities Act of Washington nor has the offer and/or sale previously been so registered.

4 9. James Majerski is not currently registered as a securities salesperson, investment adviser or broker-  
5 dealer in the state of Washington and has not previously been so registered.

6 Based upon the foregoing Tentative Findings of Fact the following Conclusions of Law are made.

7 **CONCLUSIONS OF LAW**

8 I. Securities

9 10. The offer and/or sale of the gold investment opportunities described above constitutes the offer and/or  
10 sale of securities as defined in RCW 21.20.005 (10) and (12).

11 II. Anti-Fraud Provision

12 11. The offer and/or sale of said securities was made in violation of RCW 21.20.010 because the  
13 Respondent made misstatements of material fact or omitted to state material facts necessary in order to make the  
14 statements made, in the light of the circumstances under which they were made, not misleading.

15 III. Registration of Securities

16 12. The offer and/or sale of said securities is in violation of RCW 21.20.140, the registration section of the  
17 Securities Act, because no registration for such offer and/or sale is on file with the Securities Administrator of the state of  
18 Washington.

19 IV. Registration of Broker-Dealer and Salespersons

20 13. Respondent, James Majerski has violated RCW 21.20.040 by offering and/or selling said securities  
21 while not registered as a broker-dealer or securities salesperson in the state of Washington.

22 **EMERGENCY**

23 The Securities Administration finds that an emergency exists and that the continued offers or sales of said  
24 investment opportunities in violation of RCW 21.20.010, RCW 21.20.140, and RCW 21.20.040, constitute a threat to the

investing public. Accordingly, a Summary Order to Cease and Desist from those violations is in the public interest and necessary for the protection of the investing public.

### **SUMMARY ORDER**

Based upon the foregoing, IT IS THEREFORE HEREBY SUMMARILY ORDERED that Respondent James Majerski, his agents, and employees shall each cease and desist from violating RCW 21.20.010, the anti-fraud section of the Securities Act.

It is further SUMMARILY ORDERED that Respondent James Majerski, his agents, and employees shall each cease and desist from violating RCW 21.20.140, the securities registration section of the Securities Act.

It is further SUMMARILY ORDERED that Respondent James Majerski, his agents, and employees shall each cease and desist from violating RCW 21.20.040, the securities broker-dealer, securities salesperson registration section of the Securities Act.

### **NOTICE OF INTENT TO IMPOSE FINE**

Pursuant to RCW 21.20.395, and based upon the above Tentative Findings of Fact and Conclusions of Law, the Securities Administrator finds that Respondent James Majerski has committed a knowing or reckless violation of the Securities Act such that the imposition of a fine is required. Therefore, the Securities Administrator intends to order that the Respondent shall pay a fine in the amount of \$10,000.

### **AUTHORITY AND PROCEDURE**

This Order is entered pursuant to the provisions of RCW 21.20.390, and RCW 21.20.395, and is subject to the provisions of Chapter 34.05 RCW. The Respondent, James Majerski may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO DEFEND AND OPPORTUNITY FOR HEARING accompanying this Order. A request for a hearing should be in writing and sent to Deborah R. Bortner, Securities Administrator, Department of Financial Institutions, P.O. Box 9033, Olympia, Washington 98507-9033.

If the respondent does not request a hearing, the Securities Administrator intends to adopt the above Tentative Findings of Fact and Conclusions of Law as final and make the Summary Order to Cease and Desist permanent as to the Respondent and impose the fine as set forth.

**SUMMARY ORDER TO CEASE AND  
DESIST**

1 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

2 DATED and ENTERED this 1st day of April, 2004

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6 DEBORAH R. BORTNER  
Securities Administrator

7 Approved by:

Presented by:

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10 Michael E. Stevenson  
11 Chief of Enforcement

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14 Tyler Letey  
15 Financial Legal Examiner

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25 SUMMARY ORDER TO CEASE AND  
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